

Daily Report

China

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General

UN Urges Less Military Spending

OW261133 Beijing XINHUA in English 1102 GMT
26 Aug 87

[Text] United Nations, August 25 (XINHUA) — The need to reduce the global military expenditure and reallocate resources thus released for development was stressed by most of the speakers in the second day of debate at the International Conference on Disarmament and Development.

Almost all 21 speakers who have addressed the conference in the past two days agreed there is a link between disarmament and development.

Swedish Foreign Minister Sten Andersson said hundreds of billions of dollars are being wasted on ever more sophisticated weapon systems every year, while hundreds of millions of people in the world are starving.

He criticised the United States for not taking part in the conference. The United States has a special responsibility to promote disarmament and development, he said.

Zain Noorani, minister of state for foreign affairs of Pakistan noted the arms race has assumed irrational proportions, endangering the very survival of mankind.

He said developing countries are the main victims of the prevailing atmosphere of global insecurity.

The Soviet occupation forces in Afghanistan and the seven-year-old war in that country threatens Pakistan's security, he said.

Noorani proposes to establish a special disarmament and development fund under the aegis of the United Nations to ease the allocation of resources freed from disarmament.

France, one of the initiators of the conference, also proposed the establishment of an international financial organization.

Didier Bariani, secretary of state to the minister of foreign affairs of France, said the idea of setting up such a fund was first proposed by President Francois Mitterrand in September of 1983 at the United Nations.

Sri Lankan Foreign Minister Shahul Hameed reiterated a proposal made by his country in 1986 that the heaviest military spenders announce voluntary reduction in areas of their choosing until an agreed basis is reached for further systematic reduction in arms expenditure.

Vladimir Petrovskiy, deputy foreign minister of the Soviet Union, announced a proposal made by Soviet leader Mikhail Gorbachev that the leaders of the Security Council member states convene a special meeting to discuss disarmament and development.

Chinese Vice-Foreign Minister Qian Qichen and the foreign ministers of Zimbabwe, Finland, Ireland, Senegal and Venezuela also attended the conference today. The foreign minister of Denmark spoke on behalf of the 12 member states of the European Community.

Commentary on Conference
HK270213 Beijing RENMIN RIBAO in Chinese
26 Aug 87 p 6

[“Short commentary:” “Strive for Disarmament, Seek Development”]

[Text] The UN International Conference on Disarmament and Development opened on 24 August in New York. During the 3-week conference, government representatives from more than 100 countries will exchange opinions and discuss questions concerning disarmament and development. It is undoubtedly of great significance. We hope that the conference will achieve more positive results and will play a role in promoting the world's disarmament and development.

Peace and development are the two basic issues of the contemporary world. Striving for disarmament and seeking development represent the common wishes of all peoples, and is also the common task for all countries of the world. However, the arms race between the superpowers has not yet come to an end; instead, it is still escalating and has even spread to outer space. Military expenditure in the world is still astonishingly huge, and this wastes tremendous human, material, financial, and natural resources. At the same time, most developing countries are still facing mountains of difficulties in their economic development, and some countries and regions have been bogged down in poverty and backwardness for a long time and have been suffering from continuous social and political unrest. It is certain that the intensification of the arms race and the existence of undeveloped conditions in vast areas have posed obvious threats against the world's peace, stability, and security.

The world needs peace, and it needs development even more. Checking the arms race and realizing real and effective disarmament will not only help ease international tension and maintain world peace, but will also benefit national economic development in all countries and promote the development of the world's economy as a whole. On the other hand, promoting economic development and changing poor and backward conditions in the less developed countries and regions will also help these countries maintain social stability, thus reducing the factors for regional turbulence. This will in turn be favorable to the maintenance of world peace and security.

Disarmament and development are related to the vital interests of all nations and need the joint efforts of all nations. All nations, large or small, strong or weak, should have the same right to participate in discussion and settlement of the disarmament and development issues. However, it must be particularly pointed out here that the United States and the Soviet Union bear special

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responsibility for disarmament, and they should take the lead in taking action to cut down on their nuclear and conventional armaments to a substantial degree and restrict their military expenditures so as to make contributions to world peace and development.

China is a developing socialist country and needs a lasting peaceful international environment for her socialist modernization construction. China also hopes that the world will develop in a peaceful environment. China pursues an independent peace-oriented foreign policy that is designed to safeguard peace and seek the world's development. In recent years, the Chinese Government has taken a series of disarmament actions, including the reduction of troops by 1 million people and the lowering of military expenditure. This fully demonstrates China's sincerity and determination to work for disarmament and development. The Chinese people are willing to join hands with all peoples to make continuous and unremitting efforts to promote disarmament, maintain peace, and accelerate development.

Li Peng, Qu Geping Win UN Medals
OW251436 Beijing XINHUA in English 1425 GMT
25 Aug 87

[Text] Beijing, August 25 (XINHUA) — The United Nations environment program awarded Li Peng, Chinese vice-premier in charge of environmental protection, and Qu Geping, director of the State Environment Protection Bureau, its highest honor — gold medals — recently.

The U.N. environment program began to award such medals to leading figures who have made great contributions to environmental protection in 1984.

China has listed environmental protection as one of its basic state policies in recent years and formed guidelines and strategies to protect the environment along with economic and social development.

Qin Jiwei Greets Sharpshooters
OW261338 Beijing XINHUA in English 1330 GMT
26 Aug 87

[Text] Beijing, August 26 (XINHUA) — Xu Yincheng, president of the organising committee of the 6th Asian Shooting Championships, officially declared open the championships at Beijing shooting range today.

The tournament, the largest ever held in Asia, is drawing nearly 300 sharpshooters from 20 Asian countries and regions.

Bahrain which had submitted their entries earlier failed to show up.

The shooters marched into the over-crowded 50-meter range corridor while a downpour was washing the open field which was colorfully decorated for the ceremony.

Qin Jiwei, honorary president of the China Shooting Association, received chief delegates of all the participating teams before the ceremony.

Indonesia sent a delegation to the championships for the General Assembly of Asia Shooting Confederation slated on August 29 at Xangshang Hotel near the range.

It is the first time that China hosts the quadrennial Continental Shooting Tournament which was inaugurated in 1967 at Tokyo, Japan.

China made its debut in the Third Asian Shooting championships in Kuala Lumpur, Malaysia in 1975 and finished first on the gold medal tally for the last three championships.

The competitions will start tomorrow when the sharpshooters are going to compete in the men's air pistol, running game target 50 meters (normal), women's small bore sport pistol and small bore standard rifle.

United States & Canada

Yang Shangkun Meets U.S. Reporter
OW271038 Beijing XINHUA in English 0942 GMT
27 Aug 87

[Text] Beijing, August 27 (XINHUA) — Yang Shangkun, member of the Political Bureau of the Chinese Communist Party Central Committee, met here today with Harrison E. Salisbury, a noted U.S. journalist.

Salisbury is here to cover China's reform and policy of opening to the outside world and enlivening its domestic economy. He plans to write a book on China's New Long March based on his coverage.

The author of the book, *The long March — An Untold Story*, which had been published last year, Salisbury will soon leave here for a tour of Heilongjiang Province in northeast China.

Huang Hua, vice-chairman of the National People's Congress Standing Committee, was present on the occasion.

Soviet Union

Wu Xiuquan Meets Soviet Ambassador
OW270826 Beijing XINHUA in English 0819 GMT
27 Aug 87

[Text] Beijing, August 27 (XINHUA) — Wu Xiuquan, president of the Sino-Soviet Friendship Association, met and had a friendly conversation here today with Soviet Ambassador to China O.A. Troyanovskiy.

Present on the occasion were Ling Qing, vice-president of the Chinese People's Association for Friendship with Foreign Countries, and Li Zewang, vice-president of the Sino-Soviet Friendship Association.

Northeast Asia

PLA Delegation Leaves for DPRK
OW270728 Beijing XINHUA in English 0723 GMT
27 Aug 87

[Text] Beijing, August 27 (XINHUA) — A goodwill delegation of the Air Force of the Chinese People's Liberation Army (PLA) led by Wang Hai, commander of

the PLA Air Force, left here today for Pyongyang on an official visit to the Democratic People's Republic of Korea (DPRK) at the invitation of the Korean People's Air Force.

The delegation was seen off at the airport by Zhu Guang, political commissar of the PLA Air Force, and Kim Il-kun, military attache of the Korean Embassy in Beijing.

Southeast Asia & Pacific

Philippines' Laurel Urges Friendship
*BK261435 Beijing International Service in Tagalog
 1130 GMT 26 Aug 87*

[Text] Philippine Vice President Salvador Laurel yesterday called for stronger friendship with the People's Republic of China. Laurel made this announcement in a speech before the National Congress of Professors World Peace Academy. He said that China will play an important role in the world's lasting quest for peace. He added that although the social systems of China and the Philippines are different, there is no contradiction in having peaceful relations. He said that his first visit to China was before the establishment of diplomatic relations with the Philippines. In 1979 and 1986 he again visited the country. He was impressed by its fast economic development since it opened its doors to the outside world.

Burma's U San Yu Receives New Envoy
*BK261519 Beijing International Service in Burmese
 1130 GMT 26 Aug 87*

[Text] Cheng Ruisheng, newly accredited ambassador of China, paid a courtesy call on Burmese President U San Yu and presented his credentials yesterday. Later, cordial talks were held between the ambassador and President U San Yu.

President U San Yu said Burma and China have had very friendly relations and that it was necessary to make constant efforts to maintain and strengthen the friendly relations between the two countries.

Ambassador Cheng Ruisheng expressed his desire to further promote the good neighborly relations between China and Burma.

ASEAN-PRC Trade, Singapore Viewed
*OW261358 Beijing XINHUA in English 1350 GMT
 26 Aug 87*

[Text] Singapore, August 26 (XINHUA) — ASEAN countries' development of trade with China need not be competitive and the Chinese market of one billion people has room for all, said S. Chandra Das, chairman of the Singapore Government Parliamentary Committee on Foreign Affairs and Defense.

Moves by other ASEAN countries to trade directly with China will not be at Singapore's expense. In the long term, it can even enhance Singapore's entrepot trade, said Das in the latest issue of *Petir* — the official publication of the ruling People's Action Party.

Likewise, he added that Singapore's trade with China in ASEAN context should not be looked at only in the light of competition.

The article quoted by the local press today said that there is much room for complement and for ASEAN to combine its efforts to develop trade with China.

The availability of low-cost labor and vast natural resources in some ASEAN countries can be complemented with Singapore's good research facilities, financial and physical infrastructure and transport network to produce goods for the Chinese market, he said.

He went on to say that Singapore's ASEAN neighbors could use Singapore, a city country with over 70 percent of its population are Chinese and Chinese is one of its official languages, to overcome cultural and language barriers and to understand China's methods of doing business.

Also, he added, ASEAN manufactured goods produced with multinational corporations could be developed for the Chinese market.

According to the article, Singapore's trade with China had more than tripled from 1.2 billion Singapore dollars (571 million U.S. dollars) in 1979 to 4.3 billion (2.05 billion U.S. dollars) last year. This made China Singapore's fifth largest trading partner.

ASEAN or Association of Southeast Asian Nations groups together Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Near East & South Asia

Envoy Meets Iran's Majlis Speaker
*OW270344 Beijing XINHUA in English 0119 GMT
 27 Aug 87*

[Text] Tehran, August 26 (XINHUA) — Iranian Parliament Speaker Hashemi-Rafsanjani met with Chinese Government special envoy and Deputy Foreign Minister Qi Huaiyuan here today.

The two sides exchanged views cordially and friendly on promoting bilateral relations and issues of common concern.

Qi Huaiyuan arrived in Tehran on August 25. During his stay here, he was received by Iranian Prime Minister Hoseyn Musavi and Foreign Minister 'Ali Akbar Velayati respectively.

Iranian Deputy Foreign Minister Hoseyn Sheykhi-Eslam had working talks with Qi, who is scheduled to conclude his visit and leave for home tomorrow.

Departs for Home
*OW270830 Beijing XINHUA in English 0806 GMT
 27 Aug 87*

[Text] Tehran, August 27 (XINHUA) — Chinese Government special envoy and Deputy Foreign Minister Qi Huaiyuan today described his two-day visit to Iran as a "complete success."

Upon his departure for home, Qi said the visit had helped the two countries to have "better understanding of each other."

During his stay here, Qi met with Iranian parliament speaker Hashemi-Rafsanjani, Prime Minister Hosegn Musavi, Foreign Minister Velayati and Deputy Foreign Minister Hosegn Sheykh ol-Eslam.

Qi said at the airport he told his Iranian hosts the Chinese leaders desire to develop relations with Iran and they are concerned over the security and stability in the region.

the Chinese envoy stated upon his arrival here Tuesday that the Gulf security should be maintained by the countries in the region and China is opposed to big powers' interference there.

China has repeatedly declared its neutrality in the Iran-Iraq conflict and has been making efforts to help end the bloodshed by peaceful means.

HSIN WAN PAO on Visit

HK261350 Hong Kong HSIN WAN PAO in Chinese
26 Aug 87 p 1

[("New Talk" column: "Qi Huaiyuan Arrives in Iran To Actively Mediate for Peace")]

[Text] Qi Huaiyuan, special envoy of the Chinese Government and vice minister of foreign affairs, arrived in Iranian capital Teheran yesterday. He will exchange views with Iran officials on the situation in the Persian Gulf and on other issues of common concern.

This is the second visit to the Persian Gulf in a short period of 3 weeks by Qi Huaiyuan in the capacity of special envoy. In late July and early August, he visited Kuwait, another oil producing country located on the coast of the Persian Gulf.

After the UN Security Council adopted on 20 July a resolution on mediation efforts to terminate the Iran-Iraq war, none of the permanent members of the Security Council except China has sent any special envoy to the Persian Gulf. And, what is more, the Chinese special envoy has already visited the Gulf twice since then. So far UN Secretary General Javier Perez de Cuellar has not paid a visit to the region yet.

What merits more attention is that among the four other permanent members of the UN Security Council, only China is not involved in the current acute oil tanker escorting war. All the remaining permanent members of the Security Council, namely, the United States, the Soviet Union, the United Kingdom, and France, have their warships and oil tankers cruising in the Persian Gulf.

In the beginning, Kuwait hired Soviet oil tankers to ship oil. In view of the need of to counter the presence of the Soviet Navy in the Persian Gulf, U.S. President Reagan

later changed his policy to allow Kuwaiti oil tankers to fly the U.S. flag and promised to provide escort service by U.S. warships. Due to its disputes with Iran over the hostage and espionage issues, France has also sent warships to the Persian Gulf. The United Kingdom at the very beginning turned down Washington's request for the British Navy's assistance in sweeping mines in the Persian Gulf. It recently made a 180-degree turn, not only sending mine sweepers on an urgent mission but also agreeing to allow Kuwaiti oil tankers to fly the British flag and to provide escort service by British warships.

The Kuwaiti Government has also requested the Chinese Government to provide assistance. It has expressed its desire to hire Chinese ships or have Kuwaiti oil tankers registered with Chinese authorities. Qi Huaiyuan graciously declined Kuwait's request during his visit to the country. He said: "The size of the Chinese fleet of cargo ships is small and we have no more ships to lease. On the other hand, the service of registration of foreign ships is not yet available in China."

What merits attention is another remark Qi made in Kuwait: "China takes a neutral stand toward the Iran-Iraq War and will actively mediate between the two sides. Our neutral stand is not a negative one. We will make further efforts in the hope of terminating the war as soon as possible."

When meeting with a delegation headed by Tunisian Foreign Minister Hedi Mabrouk from the seven-state council of the League of Arab States in last May, Zhao Ziyang said: Peaceful settlement is the only way out for the Iran-Iraq War. Li Xiannian also told the delegation that if the war continued, both sides would be hurt; and, if the war came to an end, both sides would benefit from it.

It appears that Qi Huaiyuan's present visit to Iran and talks with Iranian officials are a part of China's "active mediation," which is based on the remarks made by the two Chinese leaders — Zhao and Li.

It was reported this morning that a foreign ministers' meeting held by the League of Arab States in Tunisia urged Iran to accept the Security Council's resolution on cease-fire by 20 September (the opening day of the forthcoming UN General Assembly), for otherwise the Arab League would revise its relations with Iran.

Saudi Arabia, which had tried its best to assume a moderate attitude toward Iran after the 30 July Mecca pilgrims' bloodshed, showed a change in its stand yesterday. It held a press conference that Western reporters described as very unusual, and it strongly condemned Iran for stirring up the great riot.

While warships of the three Western powers are gathering toward the Persian Gulf, Arab countries have suddenly toughened their attitude toward Iran. It is now the critical moment to find out whether the Iran-Iraq War will come to an end, whether the situation in the Persian

Gulf will deteriorate, and whether oil transportation will face more serious threats. It was at this moment that Chinese special envoy Qi Huaiyuan went to Teheran to discuss the Persian Gulf situation with Iranian officials. So, the outcome of his visit has naturally become a focus of the world's attention.

Roundup on Iran Urged To End War
*OW261640 Beijing XINHUA in English 1450 GMT
26 Aug 87*

[“Roundup: Iran Urged To End War With Iraq (by Yan Shiyuan and Xing Xudong)”—XINHUA headline]

[Text] Tunis, August 25 (XINHUA)—The Arab world set aside differences today and spoke with one voice in demanding that Iran comply with a United Nations peace plea and settle its seven-year-old war with Iraq.

The 21 member countries of the Arab League adopted a resolution at a special ministerial meeting here, urging Iran to implement U.N. Security Council Resolution 598, which was adopted in July and calls for an immediate ceasefire in the Gulf War.

The Tunis meeting, which started Sunday, was devoted exclusively to the Iran-Iraq War and saw Syria and Libya, which have been backing Iran, reconciled with the Arab nations that have stood by Iraq in the bloody conflict.

After almost seven years of war, the Arab nations agreed to sit together to seek ways to end the bloodshed. This reflects their common concern over the Gulf War, which has threatened the entire region and endangered the interests of all Arab nations, the Gulf nations in particular.

The meeting was called by Tunisia at a time when tension in the Gulf is high. The United States at the request of Kuwait is escorting oil tankers in the Gulf, risking military confrontation with Iran.

The Arab countries, realizing the possibility of an escalation of the Gulf war, responded positively to Tunisia's call for the special meeting. All league members sent representatives, including 19 foreign ministers.

At this crucial time, the Arab nations must abandon their discord and take united action to prevent the escalation of the Gulf War and to ensure the implementation of the U.N. Resolution 598, observers said.

Iran has so far rejected Resolution 598 but has declared its readiness to cooperate with U.N. Secretary-General Perez de Cuellar in seeking a solution to the Iran-Iraq war.

And differences remain between the Arab nations over how to stop the war. One proposal at the meeting called for Arab states to sever ties with Iran if it continues to ignore the ceasefire call, but Syria, Libya, Algeria, Oman and the United Arab Emirates disagreed.

The Arab League ministerial council decided not to close the emergency session until September 20, allowing consultations among the Arab countries and apparently to give Iran an opportunity to reconsider its stand.

Arab League Secretary-General Chedli Klibi told a press conference after the meeting that the Arab countries would have to reassess their relations with Iran if the latter refuses to seek peace.

Iran has so far not reacted to the Arab League statement, but is not expected to quickly give up its stand on the war.

Envoy, 'Arafat Meet, Discuss Gulf
OW262036 Beijing XINHUA Domestic Service in Chinese 1410 GMT 25 Aug 87

[From “International Shortwave”]

[Text] Beijing, 25 Aug (XINHUA)—News from Tunis: Chairman of the PLO Executive Committee 'Arafat met with Zhu Peiqing, charge d'affaires ad interim of the Chinese Embassy in Tunisia, on 25 August in Tunis. They had a conversation on the current Gulf situation, the serious state of the Palestinian refugee camps in Lebanon, and international issues of mutual concern.

Naval Tanker Delivered to Pakistan
*OW270150 Beijing XINHUA in English 0027 GMT
27 Aug 87*

[Text] Islamabad, August 26 (XINHUA)—China today delivered an oil and water tanker to Pakistan in a harbor at Karachi, the largest city of the country.

The tanker, *Nasr*, which was built by China for the Pakistan Navy, is capable of carrying a total deadweight capacity of 15,000 tons. It will supply oil and water for naval vessels of Pakistan on the sea.

At the delivering-ceremony held in Karachi, Admiral Iffikhar Ahmed Sirohey, chief of naval staff of Pakistan, said that *Nasr*'s arrival heralds an era of modernization for the Pakistan Navy.

Sub-Saharan Africa

Xi Zhongxun Meets Somali Chairman
*OW261343 Beijing XINHUA in English 1334 GMT
26 Aug 87*

[Text] Beijing, August 26 (XINHUA)—Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, met with a delegation from the Somali Revolutionary Socialist Party (SRSP) and gave a dinner in its honor here this evening.

The delegation is led by Osman Jama Ali, member of the SRSP Central Committee and chairman of the General Service and Technology Bureau of the SRSP Central Committee.

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Li Xiannian Meets African Unionists
*OW270943 Beijing XINHUA in English 0930 GMT
 27 Aug 87*

[Text] Beijing, August 27 (XINHUA) — "The debt problem is in essence a political problem," Chinese President Li Xiannian [said] today while meeting a group of African trade unionists.

"One principle in solving the debt problem is that the production of debtor countries must not be affected nor their people's living standard be lowered," the Chinese leader said.

Li made these remarks at a meeting with a delegation from the Organization of African Trade Union Unity led by its general secretary Hassan A. Sunmonu here this morning.

Li said some creditor countries asked the debtor countries to pay by slowing down their economic growth, and this means that the people of the debtor countries should tighten their belts.

The creditor countries should allow the debtor countries to pay their debts through developing their economy.

During the meeting which lasted for more than one hour, Li briefed the visitors on the achievements China has made and the tortuous way it has travelled in the past 30 years and more since the founding of New China in 1949.

The Chinese leader also told the visitors about China's policies of reform and opening to the outside world and the four cardinal principles it adheres to in building socialism with Chinese characteristics.

Sunmonu said members of the delegation have seen what China has achieved in implementing new economic policies. Africa is following with great interest the economic results brought about by the new policies, he said.

On hand was Ni Zhifu, president of the All-China Federation of Trade Unions.

The visitors are here as guests of the federation. In the afternoon, Sunmonu attended the opening session of a seminar on the role of trade unions in development, which is jointly sponsored here by the All-China Federation of Trade Unions and the Organization of African Trade Union Unity.

Attending the seminar are trade unionists from 13 French-speaking countries in Africa.

Changchun Marks Namibia National Day
*OW261441 Beijing XINHUA in English 1430 GMT
 26 Aug 87*

[Text] Changchun, August 26 (XINHUA) — Some 1,000 people today gathered in Changchun, capital of northeast China's Jilin Province, to mark "Namibia day" and express support for the Namibian people in their just struggle to win national independence.

A delegation from the Southwest Africa People's Organization (SWAPO) led by Mzee Simon Kaukungwa, member of the SWAPO Central Committee, attended today's gathering.

Speaking at the rally, Deputy Governor of Jilin Province Liu Yunzhao expressed admiration for the Namibian people's courageous struggle.

Liu said that, like all the Chinese people, the people of Jilin Province have been following closely the developments of the Namibian situation and the struggle of SWAPO. They take support for the Namibian people's just struggle as their internationalist duty.

Kaukungwa said that facts show that the struggle of the Namibian people is just. Confronting the dying apartheid system and imperialist rule in Namibia, the Namibian people, fully confident of victory and defying death, have become more united than ever.

He said that they are pleased with China's promise that the People's Republic of China will stand on the side of the Namibia people now and in the future.

West Europe

Bonn's Dilemma on Pershings Viewed
*OW270640 Beijing XINHUA in English 0600 GMT
 27 Aug 87*

[By Xia Zhimian]

[Text] Bonn August 26 (XINHUA) — Federal German Chancellor Helmut Kohl's Wednesday announcement on conditionally scrapping Germany's 72 short-range Pershing 1A missiles is a clear indication that Bonn is ready to relieve its dilemma of being sandwiched between the two superpowers disarmament negotiations.

On his return from vacation in Austria, Kohl said that Federal Germany would agree not to update the missiles if the United States and the Soviet Union reach an agreement on global dismantling of intermediate nuclear forces (INF).

Bonn's concession was made after Moscow insisted that the 72 Pershing 1As, carrying U.S.-controlled warheads, be dismantled because they constitute the last major obstacle to reaching a superpower missile accord.

Unwilling to get caught between the two superpowers, Bonn decided to solve the seemingly to-be-or-not-to-be problem, with certain conditions, after an intense debate.

Additional conditions for the scrapping include: the INF accord must settle the verification issue; it must be ratified by both sides; and both sides must stick to an agreed dismantling timetable.

These conditions might prove to be too harsh for Moscow and they puzzle some U.S. officials, but the move reflects flexibility in Bonn's policy, Federal Germany being the only third party involved in the U.S.-Soviet talks.

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In April, when the Soviet Union tabled the double-zero option on demolishing shorter-range missiles, Bonn tried to align itself with other Western allies in persuading the U.S. to reject the Soviet proposal.

In Bonn's view, if all short- and medium-range U.S. missiles were demolished, Federal Germany would be vulnerable to Soviet short-range missiles and conventional forces.

Bonn found itself isolated when Britain and France, the two Western European nuclear powers, declared themselves in favor of the double-zero option.

On June 1, Bonn made the first concession, announcing that it would accept the new Soviet proposal on two conditions: The 72 Pershing 1As deployed in Federal Germany be retained and superpower negotiations be held immediately on shorter-range missiles, conventional forces and chemical arsenals following an INF accord.

No sooner had Bonn made known its stand than the Soviet Union began to accuse it of preventing the two superpowers from reaching an INF accord.

Meanwhile, the U.S., eager to reach an agreement, hoped Bonn would make some concessions, although publicly Washington voiced support for Bonn.

Besides the pressure Bonn faced internationally, the issue had also provoked heated debate at home.

The opposition urged the government not to "sabotage" the American-Soviet negotiations.

Even within the government, some advocated a change in the missile stand in order to avoid the resentment of the voters.

With these considerations in mind, Bonn changed its tune.

The latest concession has at least two aims — to satisfy Moscow's request to scrap the pershings, and to maintain the essence of Bonn's original stand on retaining them because, in any event, they will be obsolete and ineffective by 1992 if not updated.

The five-year period between now and 1992 coincides with the period of implementation of a superpower INF accord, should it be reached late this year as expected.

Chen Muhua Meets FRG Delegation
OW261348 Beijing XINHUA in English 1340 GMT
26 Aug 87

[Text] Beijing, August 26 (XINHUA) — Chinese State Councillor Chen Muhua met here today a delegation from the city of Frankfurt in the Federal Republic of Germany, led by Udo Mueller, adviser to the mayor.

The delegation is here for discussions with the China International Trust and Investment Corporation and the China Hua Yang Technology and Trade Corporation on setting up a "China center" in Frankfurt.

The center, which will sell Chinese goods and promote economic cooperation, trade and scientific and cultural exchanges between the two countries, is to be financed by an investment company formed by Federal German banks. The two Chinese corporations will take charge of preparations for the construction and future management of the center.

FRG Firm Signs Gas Plant Contract

HK270300 Beijing CHINA DAILY in English
27 Aug 87 p 2

[By staff reporter]

[Text] An 80 million yuan (\$21.6 million) deal for a gas liquefaction plant was signed yesterday between Linde AG TVT Munich, a West German supplier of processing plants, and the China National Technology Import Corporation (CNTIC).

The contract, under World Bank loan conditions and the biggest the firm has signed with China this year, is for a plant on Zhongyang Oil Field near Puyang, Henan Province.

The plant, which will be finished in about 20 months, will process up to 1.2 million cubic metres of natural gas per day which otherwise would have been flared during oil production.

The products will be about 50,000 tons ofthane, 48,000 tons of propane, 42,000 tons of butane, 41,000 tons of natural gasoline and 300 million cubic metres of dry natural gas each year, said Hans-P. Riquarts, the firm's general manager for natural gas projects.

Linde will have the overall responsibility for the project and provide everything from process design, detailed engineering, equipment supplies, construction and start-up supervision to engineer and operator training, he said.

On August 22, the firm signed a 9 million yuan contract with the China Petroleum Engineering and Construction Corporation, for construction and transport facilities at the Zhongyuan plant.

Linde was the first Western company to get a turn key job — where it was responsible for the whole project up to completion in China. "In future, I think we will do more," said Riquarts.

Since 1965, Linde AG TVT Munich has signed a total of 38 contracts with China.

In 1984, it entered a \$30 million contract to provide Daqing Oil Field in Northeast China's Heilongjiang Province with a complete set of equipment and technology for two liquid natural gas plants. The first plant has just put [as published] into operation and the second will be in operation early next year.

In June this year, it also signed a more than \$1 million contract with Xianyang TV Tube Factory in Shaanxi Province for an oxygen plant.

Linde AG TVT Munich has also provided equipment and technology for plants in Urumqi, Yinchuan, Taiyuan, Anshan, Benxi, Tianjin, Nanjing, Changsha, Zhenjiang, Hangzhou and Guangzhou.

Military Pacts With France Noted

PM270854 Paris *LE MONDE* in French 25 Aug 87 p 3

[“P.D.E. B.” dispatch: “Secretary of State for Defense Announces Signing of Two Military Cooperation Agreements”]

[Text] Beijing — The Chinese and French are very shortly to sign two agreements on cooperation in the military and arms spheres. Jacques Boyon, secretary of state for defense, announced on Saturday 22 August at the end of a 3-day official visit to China. Mr Boyon described this as a “first” in relations between the two countries.

The first agreement should make it possible to develop exchange visits between military officials and cooperation in the arms sphere. A second, more technical agreement devoted to the armaments sector, is to be quickly concluded. Indeed, Mr Boyon wants to increase French exports to China by adapting existing French equipment to Chinese requirements, or even by developing special equipment.

Mr Boyon discussed these questions with his host, Deputy Chief of Staff He Xizhong, a 44-year old officer who was in the Indian and Vietnamese border wars and who has special responsibility for modernizing the Chinese armed forces' equipment. Mr Boyon also had talks with Vice Foreign Minister Zhou Nan and with Defense Minister Zhang Aiping. Finally, the secretary of state, who is visiting China at the head of a delegation from the Ain departmental council, said that Andre Giraud would try to visit Beijing as soon as circumstances permitted, possibly next spring before the presidential election.

Officials Meet Swedish Counterparts

Yang, Army Head Meet

OW261436 Beijing XINHUA in English 1424 GMT
26 Aug 87

[Text] Beijing, August 26 (XINHUA) — Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army (PLA), said here this afternoon that China will strengthen its friendly ties with the Swedish Army.

Speaking at a meeting with Lieutenant General Erik G. Bengtsson, commander of the Swedish Army, Yang said that, since the establishment of their diplomatic relations, China and Sweden have developed their friendship and the armies of the two countries have also increased their exchanges. “We are deeply impressed by the Swedish Army, which is well trained and equipped though Sweden has not experienced war for many years,” he said, adding that the PLA should learn from the Swedish Army.

Bengtsson said his army could learn a lot from the PLA.

In the evening, Xu Xin, deputy chief of the General Staff of the PLA, hosted a dinner for Bengtsson at the Diaoyutai State Guest House.

The Swedish general arrived here yesterday as a guest of the Chinese Ministry of National Defense.

Auditor Generals Meet

OW270753 Beijing XINHUA in English 0728 GMT
27 Aug 87

[Text] Beijing, August 27 (XINHUA) — Lu Peijian, auditor-general of the State Auditing Administration, met here today a Swedish audit delegation headed by Ingemar Mundebo, auditor general of the Swedish National Audit Bureau.

They briefed each other on their respective countries' auditing work and exchanged views on furthering cooperation between the two countries in this regard.

13th CPC National Congress Previewed
HK270601 Hong Kong WEN WEI PO in Chinese
27 Aug 87 p 1

[“Special Feature” by correspondent Cheng Hsiang (4453 5046): “Four Short-Term Goals of Political Reform — Preview of the 13th Party Congress, Part 3”]

[Text] This reporter has learned that when they discuss propositions for political structural reform at the 13th CPC National Congress, the CPC will formulate regulations of principle on the nature, tasks, and short-term goals of the current reform of the political structure from which people can see how the reform will be conducted by the CPC.

As for the nature of the political structural reform, the CPC has especially stated that this reform is self-improvement of the socialist system and is not aimed at transforming the socialist system itself.

The CPC pointed out in no uncertain terms that the nature of this reform can be said to be a response to the two different opinions on political structural reform that prevailed in the community some time ago. Deng Xiaoping's 1986 proposal for conducting reform in the political structure triggered heated debates in society. One view maintained that to change the existing system, we should adopt a multiparty system. Only in this way can the various defects of one-party dictatorship be thoroughly eliminated, and only when the practice of separation of the three powers is adopted can the defects of overconcentration of power be avoided. Those who held the other view feared that the introduction of political structural reform would virtually negate the socialist system and the party's leadership and argued that persisting in this direction would change China's political color. These are two diametrically opposed views. Therefore, it is presumed that the CPC will clearly state that the nature of the current reform is self-improvement of the socialist system and is not aimed at transforming the fundamental socialist system and will clearly point out that the current reform was raised by the CPC itself and, therefore, can only be conducted under the leadership of the CPC.

As far as the general goal of the current reform is concerned, the CPC stated that reform is aimed at establishing a socialist political structure commensurate with the socialist commodity economy, and to achieve this general goal we should start with the reform of the system of party and state leadership and with the readjustment of the relations and functions of social organizations to invigorate the party and state, to increase work efficiency, and to arouse the enthusiasm of the grass roots and the masses of people. Under this general goal there are four short-term goals. They are: 1) Separating the functions of the party from those of the government; 2) reforming the structure and delegating powers to lower levels; 3) reforming the personnel system of cadres; and 4) realizing democracy at the grass roots and perfecting the socialist legal system. (These four points will be discussed in detail later.)

With regard to the question of how the reform will be conducted, it is generally agreed that the reform should be conducted carefully and not in the way political movements are launched, still less in an exaggerated way. The authorities stressed this point because after the reform of the political structure was proposed in 1986, there was a great mass fervor in society for discussions of the political structural reform, and many enthusiasts aired their views and made one proposal after another, some of which were not relevant to our country's national condition. This resulted in some confusion. Some people even attributed last year's student unrest to these discussions. To avoid the occurrence of similar events, the authorities particularly stressed adopting a prudent policy towards discussions of the reform of the political structure published in newspapers.

From this simple briefing we can see that the authorities have clearly defined the nature, tasks, short-term goals, and implementation measures of the current political structural reform.

Commentator on Reforming Functions
HK270147 Beijing JINGJI RIBAO in Chinese
14 Aug 87 p 1

[Commentator's article: “An Important Means of Changing the Functions of Government”]

[Text] With the gradual in-depth development of the economic structural reform, the change in government functions has become an important issue for governments at various levels. What should we do to change the government functions? The experience of Changzhou City, Jiangsu Province, in effectively strengthening government legislative work, bringing economic activities under the control of various laws and regulations, and gradually making the government management more scientific, modern, and based on the legal system should be closely noticed.

Through more than 8 years of reform, major changes have occurred in the economic structure of our country, and the socialist planned commodity economy has been rapidly developed. In the course of reform, the management of a great deal of economic and social activity has been changed from the previous long-standing management pattern based on administrative means to the present new management pattern mainly based on economic and legal means. This overcomes the long-standing problems of “taking administrative orders as laws” and “replacing law with power.” This is a new and important task in the government work in the new period.

Today, as the economic structural reform is advancing in depth, and the political structural reform has been placed on the agenda, it is more important and urgent to strengthen the legal system construction in the government system. The transition from an old system to a new system takes time, and the degree of change in the government functions is determined by the overall control ability. One main point is the development of the

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legal system. However, leading comrades in some localities and departments have not fully realized the profound changes in the economic structure, have not strengthened the sense of law, and still do not properly apply legal means to management. They are still accustomed to merely relying on administrative means to interfere in the economic activities. Some comrade may verbally admit the importance of legal means, but in practice they still place legal work in a less important position, or even neglect it if they are too busy. This shows that government's legal work has not taken root deeply in people's minds. The key to strengthening the government legal work lies in the leaders. Leading comrades in governments at various levels should be more conscious and more prompt to properly handle legal work while dealing with economic work. They should act as Comrade Xiaoping said by simultaneously grasping economic construction and legal system construction.

The strengthening of the government legal work must not only rely on various functional departments, but also requires a special organ responsible for legal work staffed with a contingent of professional personnel of high quality to handle the work. At present, the organs in charge of legal work are still not well established, and they still do not have sufficient strength to meet the needs of the new situation. Therefore, it is necessary to replenish these organs, appoint more personnel, and clearly define their functions and responsibilities.

The legal work organ is also one of the functional departments of a government, and it acts as an adviser and assistant to the government leading comrades on all aspects of legal work. Governments at various levels should not only consolidate their organization, but should also play their role more effectively in meeting the needs of reform and opening up, speeding up the pace of economic and administrative legislation, strengthening the enforcement of the administrative laws and regulations, and ensuring the correct implementation of the current laws, rules, and regulations.

Forum Stresses Mao Zedong Thought

*OW260519 Beijing XINHUA Domestic Service
in Chinese 0746 GMT 25 Aug 87*

[Text] Beijing, 25 Aug (XINHUA) — A national forum to discuss Mao Zedong philosophical thought was held in Beijing today. One hundred or so philosophical workers gathered to exchange ideas and discuss how to uphold and promote Mao Zedong philosophical thought while carrying out reform, opening to the outside world, and building socialism with Chinese characteristics.

This meeting was held to mark the 50th anniversary of Comrade Mao Zedong's writings "On Practice" and "On Contradiction" and the 30th anniversary of "On Correct Handling of Contradictions Among the People." At the meeting, members of the Standing Committee of the Central Advisory Commission Wang Shoudao and Jiang Hua stressed that upholding and promoting Mao Zedong philosophical thought has a profound and realistic meaning for the new era of reform and opening to the outside

world. Mao Zedong philosophical thought is not only the ideological weapon for upholding the four cardinal principles but also the theoretical foundation for carrying out reform and opening to the outside world. In order to understand the two basic points of the party line since the 3d Plenary Session of the 11th CPC Central Committee on combating either the leftist or the rightist interference, it is necessary to seriously study Mao Zedong philosophical thought as well as to correctly publicize, utilize, and promote it.

This forum, with the actual situation of building socialism with Chinese characteristics in mind, discussed the contributions of Mao Zedong philosophical thought to Marxist philosophy, its significant guiding role in China's revolution and construction, its current development in the new era, and how to utilize Mao Zedong philosophical thought to expedite reform and opening to the outside world.

This forum was jointly held by the CPC Central Committee Party Literature Research Center, the Central Party School and the PLA National Defense University.

Chen Yun, Bo Yibo Write Inscriptions

*HK270839 Zhengzhou Henan Provincial Service
in Mandarin 1130 GMT 26 Aug 87*

[Excerpts] The No 1 Tractor Engineering and Machinery Corporation, the first enterprise group of farm machinery in our country, was established in Luoyang this morning.

Chen Yun, member of the CPC Central Committee Political Bureau, wrote an inscription for the establishment of the corporation, which reads: Develop a combination of different sides to boost the farm machinery industry. The inscription written by Bo Yibo, vice chairman of the CPC Central Committee Advisory Commission, reads: Congratulations on the establishment of the No 1 Tractor Engineering and Machinery Corporation. Yang Xizong, secretary of the Henan Provincial CPC Committee, also wrote an inscription, which reads: Variety of products and specialized trade.

Present at the ceremony today were (Tang Zhongwen), vice minister of the State Commission of Machine-Building Industry; Yang Ligong, member of the NPC Standing Committee; and Hu Tiyan, vice governor of Henan Province. [passages omitted]

Leaders Pay Last Respects to Physician

*OW270105 Beijing XINHUA Domestic Service
in Chinese 1402 GMT 26 Aug 87*

[Excerpt] Beijing, 26 Aug (XINHUA) — [Passage omitted] Today, over 1,000 medical personnel of the hospital of the Chinese Union Medical College in Beijing, and people from all walks of life in the capital visited the Babaoshan Cemetery for Revolutionaries to pay their last respects to the remains of Professor Zhang Xiaoqian, a medical specialist and pioneer of Western medicine in China, who dedicated his whole life, and even his body, to medical science.

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The clinical medicine specialist, medical educator, and professor first class, who was also known as the "ace of the union" and "doctor of this era," died of lung cancer in Beijing on 8 August at the age of 90.

Wreaths were received from Deng Xiaoping, Li Xian-nian, Chen Yun, Peng Zhen, Deng Yingchao, Nie Rongzhen, Wan Li, Xi Zhongxun, Fang Yi, Yang Shangkun, Hu Qili, Wang Zhen, Song Renqiong, Liu Lantao, Yan Jici, Yang Jingren, Hu Ziang, Qian Changzhao, Zhou Peiyuan, Wang Guangying, Zhao Puchu, Lei Jieqiong; the CPPCC National Committee; the General Office, Organization Department, and United Front Department of the CPC Central Committee; the Ministry of Public Health; the State Education Commission; the Chinese Academy of Sciences; the Hunan Provincial People's Government; the Beijing Municipal People's Government; the Academy of Chinese Medicine; the Beijing Union Hospital; and the Hunan Medical College.

Deng Yingchao, Xi Zhongxun, Song Renqiong, Yan Jici, Yang Jingren, Qian Changzhao, Lei Jieqiong, Chen Minzhang, and friends of the late Zhang Xiaoqian were present to pay their last respects to Prof Zhang Xiaoqian's remains, lying in state amid flowers and cypress.

When Prof Zhang Xiaoqian was seriously ill, Wan Li and Xi Zhongxun visited him at his sickbed; and Chen Yun and Deng Yingchao sent flowers and cakes. [passage omitted]

Wang Meng Attends Cultural Festival

*HK270157 Urumqi Xinjiang Regional Service
in Mandarin 1200 GMT 25 Aug 87*

[Excerpts] An arts festival entitled Autumn in Tianshan, part of the Chinese Arts Festival, solemnly opened in Urumqi today. This is also the first arts festival to be held in Xinjiang. [passage omitted]

The opening ceremony was attended by Wang Meng, Minister of Culture, and responsible comrades of the party, government, and Army in the region including Song Hanliang, Janabil, and Ba Dai. [passage omitted]

Students Receive Military Training

*OW261043 Beijing XINHUA in English 1018 GMT
26 Aug 87*

[Text] Beijing, August 26 (XINHUA) — This summer, some of China's university students are spending their vacation on the country's military bases.

Freshmen and sophomore students are living with soldiers and practicing formation drills, shooting, marching and emergency procedures just like real recruits.

Their one-month training program also includes courses in military theory and politics and the students' performance will be included in their academic records.

According to the State Education Commission, 110,000 students from 105 universities and colleges will participate in this year's program, because military training is

one of the important components of the current educational reform and is designed to help students understand China's national defense policies, strict discipline and military strategy.

Many key universities including Shandong and Fudan Universities have sent their students to local Army installations, while some schools have invited Army officers to give students military training on campus.

University students started receiving military training in 1985 when 52 schools sent 40,000 students to Army bases for training. Last year alone 70,000 students from 69 schools took part in the program.

In a recent speech, Yu Qiuli, director of the General Political Department of the Chinese People's Liberation Army, said the Army will try to make it more convenient for college students to receive military training.

Students Involved in Social Practice

*HK270907 Beijing GUANGMING RIBAO in Chinese
19 Aug 87 p 2*

[Report by Bao Xiaolin (0545 7197 2651): "Students From the China University of Science and Technology Take Part in Social Practice To Discover the National Conditions and the People's Feelings"]

[Text] The China University of Science and Technology has organized its students to take part in social practice. In this activity they combined theory with practice and have achieved good results.

Since the beginning of this year, the university has done a great deal of work and taken a series of measures in improving the students' understanding and carrying out teaching reform. Organizing the students participation in social practice is one of the effective measures the university has taken. During a short spring vacation from 1 to 5 May, the university organized 800 students into 30 groups and dispatched them to government organs, army units, factories, mines, and the rural areas, to conduct social surveys. Through surveys, the students saw with their own eyes the vitality that had emerged in various trades and undertakings following implementation of the line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee. In addition, through practical work they acquired a better understanding of the national conditions and the people's feelings, learned what could not be learned from books, and enhanced their sense of social responsibility. After they returned to the university, they took an active part in a competition to write about "Impressions Gained From Social Practice." Of the large number of articles contributed during the competition, about 60 won awards. As a result of such social surveys, the students' understanding has markedly improved. As indicated by an investigation on typical examples, 85 percent of the students remarked that the social effects of last year's student demonstrations were not good. They became more aware of the importance of combining theory with practice and acquired a better idea of the necessity of taking the socialist road.

As a result of the successful experiment during the spring vacation, the university has decided that every year a specific plan organizing student participation in social practice will be drawn up and the students' participation in social practice will be taken as a component of the appraisal given to the students. During this summer vacation, the university has organized 1,200 students to participate in social practice enriched with extra activities, including carrying out social surveys, giving intellectual advice, carrying out technical cooperation, providing scientific and technological assistance, and learning in work. These groups have now gone to various parts of the country to take part in social practice.

Fang Lizhi To Publish in Taiwan

HK270417 Hong Kong SOUTH CHINA MORNING POST in English 27 Aug 87 p 2

[By Terry Cheng]

[Text] A self-selected collection of essays by Professor Fang Lizhi, the mainland China scientist vilified by Beijing but hailed as "China's Sakharov" in the West, is to be published in Taiwan within a month.

Mr Charles Kao, president of Taipei's Commonwealth Publishing Company which will publish the collection said yesterday the publication was authorised by Professor Fang himself.

The company has the exclusive rights for the worldwide sale of the book entitled "We are Writing History".

Mr Kao said that through an intermediary in a third place the mainland dissident had provided his company with essays, pictures and a preface.

"And through the intermediary we will pay Professor Fang the royalties," he said in a telephone interview.

He declined to say where the intermediary was located, nor how much Professor Fang would be paid.

Mr Kao said the plan to publish the collection had not been approved by the Taipei Government, which is planning to set up committees to screen publication of books by mainland writers in Taiwan.

This collection of Professor Fang's essays is not the first book carrying the mainland scientist's articles to be published in Taiwan.

But Mr Kao said his company's book would be the first one published outside the mainland that was authorised by Professor Fang. "Our collection contains some unpublished essays by the author," he said.

LIAOWANG Interviews CAAC Director

HK270357 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 33, 17 Aug 87 pp 7-9

[Article by Zhang Chunling (1728 2504 0080): "CAAC Director Hu Yizhou Answers Reporter's Questions"]

[Excerpts] The China Civil Aviation Corporation (CAAC) is undergoing a major reform of historical

significance. The reporter interviewed the director of CAAC, Hu Yizhou, about this. [passage omitted]

Hu Yizhou is 58 years old. He graduated from an advanced industrial school in Shanghai in 1946. Later, he worked as a mechanic for the Central Aviation Transport (CAT). Before the founding of the PRC, he went to work for CAT in Hong Kong. On 9 November 1949, he participated in the world-shaking uprising of the two airline companies, (the CAT and the China National Aviation Corporation, CNAC) and returned to the mainland. Since then, he has always worked for the CAAC, as deputy director of an airplane service workshop, deputy chief of a mechanical brigade, director of CAAC's engineering department, deputy director of the Beijing Administration under the CAAC and concurrently deputy director of the service base, deputy director of CAAC, and eventually director. On many occasions he accompanied Premier Zhou Enlai on his travels abroad, taking charge of the engineering work of the special plane.

"I am an old hand in the CAAC," he said with a sense of humor. It was precisely because of this that he felt deeply about the necessity and urgency of the reform of the CAAC. The following are the questions and answers between Director Hu Yizhou and the reporter:

Question: What has taken place in the structural reform of the CAAC since the plan for it came out this past February? What steps are to be taken regarding the entire reform?

Answer: We have selected the CAAC Chengdu Administration as a unit to implement reform on a trial basis, based on the principle of separating government organs from enterprises and carrying out reform actively and steadily. On three occasions during the first half of the year, I brought along a work team to Chengdu to conduct work on a trial basis. The Chengdu Administration founded the China Southwest Airline Corporation, the Chengdu Shuangliu Airport, and the CAAC Southwest Administration. Thus, the original administration was split into three in the implementation of the separation of government from enterprise; they are now in operation on an experimental basis. Once the state issues licenses for operation, the corporation and the airport will formally begin operations based on the new structure. The CAAC administration will formally begin operations based on the new terms of reference. Following the reform of the Chengdu Administration, the experimental work of the Shanghai Administration in founding the China Oriental Airline Corporation, the Shanghai Hongqiao International Airport, and the CAAC East China Administration is under way.

On the basis of the experiences of the above-mentioned units, reform will be unfolded in an overall way in the Guangzhou, Beijing, Xian, and Shenyang bureaus and the CAAC General Administration. The implementation of the entire plan for reform is estimated to take about a year and a half.

Question: What are the main contents of the current structural reform?

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NATIONAL AFFAIRS

Answer: First, the existing four-tier administration, namely the CAAC General Administration, area administrations, provincial (regional, city) administrations, and aviation stations, is to be changed into a two-tier administration, the general administration and the area administrations, namely, the North China, East China, Central and South China, Southwest, Northwest and Northeast administrations. Second, based on the six existing CAAC administrations in Beijing, Shanghai, Guangzhou, Chengdu, Xian, and Shenyang, six state-run backbone airline corporations will be founded: China International Airline Corporation, China Oriental Airline Corporation, South China Airline Corporation, Southwest China Airline Corporation, Northwest China Airline Corporation, and North China Airline Corporation.

Third, airports will be separated from the aviation administration, with the airport becoming an independent enterprise that is to open and render services to all civil aviation enterprises. A system of service charges based on the regulations will also be implemented. The aviation administration will be under the jurisdiction of a government department and the leadership of the local administration.

And fourth, the oil supply departments of various airports will become separate from the airports, and a unified oil supply corporation will be founded that will render service to the airline corporations by transporting, storing and supplying oil.

Question: What is the principle for the current structural reform?

Answer: As mentioned above, first it is to separate government from enterprises; second, it is to reduce administrative tiers, to streamline organs, and to relegate power to the lower levels; and third, it is to introduce competition, with the aim of improving economic results and service quality so as to develop the undertakings of civil aviation.

With the completion of reform, the CAAC as a department under the State Council Civil Aviation General Administration will no longer directly operate in air transportation, but chiefly devote itself to administrative functions and controls. For example, it will draw up principles and policies for developing civil aviation, promulgate and revise decrees and regulations for civil aviation and supervise their implementation; it will study and approve the founding or removal of civil aviation enterprises; and it will represent the state in conducting talks and signing treaties with foreign countries, participating in international civil aviation organizations, and safeguarding the rights and interests of the state in civil aviation. At the same time, those powers that should belong to enterprises should be relegated to them so that they will become relatively independent economic bodies that can assume sole responsibility for their profits or losses, take the initiative into their own hands in operations, become legal entities that have

certain rights and obligations, and exercise the rights to hold talks and to sign accords with foreign aviation enterprises, travel agencies, and shipping agencies. (passage omitted)

Question: How do you evaluate the prospects of the current reform? What effects will it exert on existing problems and on pushing forward the development of civil aviation?

Answer: Our current reform may be said to be the most all-round and profound one in the history of the civil aviation system. We cannot copy foreign things intact, and we have no experiences of our own to which we can readily refer. Therefore, we can only probe our way ahead while carrying out reform. The original structure has been implemented for more than 3 decades; our current reform involves all tiers from top to bottom and all areas. The organ will be dissolved and merged, the personnel will be reorganized and equipped, and the properties will be weeded out and redivided; some issues will even involve localities and departments outside the civil aviation system. The conditions are complicated, the tasks are great and arduous, and difficulties may crop up unexpectedly. In the course of reform, it is imperative to guarantee the fulfillment of the many routine tasks of and safety of civil aviation and to improve the quality of service. Therefore, the current reform must be carried out actively and steadily; we cannot expect to complete it overnight. In viewing the experimental work in Chengdu and Shanghai in the first half of the year, it can be seen that reform progressed smoothly. I believe that as long as we conduct the work actively and steadily, the reform will succeed. [passage omitted]

Forum on Army Political Work Ends
*OW270553 Beijing XINHUA Domestic Service
 in Chinese 1050 GMT 26 Aug 87*

[By reporter Jiang Yumin]

[Text] Shanghai, 26 Aug (XINHUA) — The theoretical forum on the Army's political work, which ended here today, stressed the need to improve the role of theoretical research into political work in reform, by adapting such research to reform, and making constant use of Marxist principles in studying and resolving new issues regarding the improvement of reform-related political work.

This reporter has learned from the forum that political researchers of the various PLA units have, under the general trend of reform and openness, achieved heartening results in exploring the theories, principles, and ways to strengthen the Army's political work in the new period, according to the needs of reform, society, and army modernization. The 70-odd research papers submitted to the forum put forward some original ideas regarding ways to improve reform-related political work, and reform of political work itself. These ideas called for instructing PLA troops to support the socialist commodity economy in political work; correctly understanding

and approaching reform; properly implementing the socialist principles governing material interests; and integrating ideological education with concern for the people's livelihood. They also called for forming a political work force, comprising PLA troops, society, and military families, by drawing support from society and the military families; strengthening education in national defense, and enhancing the public's sense of national defense as part of political work in the new period; establishing and refining a theoretical system for the Army's political work; and raising the efficiency of political work. All this will positively affect implementation of "The Central Military Commission's Decision on the Army's Political Work in the New Period," and invigoration of the Army's political work.

Sharing their research achievements at the forum, more than 90 theoreticians from various PLA units and institutes agreed that reform calls for reinforcing theoretical research into political work, and that adapting to the new reformist situation, studying and enhancing political work theories, and bringing out the guiding role of the theory are the historic tasks in theoretical research into political work. Quoting a substantial amount of facts, many comrades went on to say that political work occupies an important position and plays a major role in reform and is, in a sense, a lifeline for China's socialist modernization and reform. The more thorough reform is, the greater the need to strengthen political work. Therefore, all our efforts are needed to increase theoretical research into political work in order to bring out the role of political work in ensuring and serving reform, and to pave the way for intensifying reform.

The forum agreed that reform has opened up a comprehensive field for theoretical research into political work. Political workers should always be in the forefront of reform. Theoretical research into political work must suit the development of the reformist situation and meet the practical needs of reform. Against the backdrop of correctly understanding the fact that China is in the initial socialist stage, theoretical research into political work should be adapted to reform to promote understanding and explore new issues in this regard. In particular, issues of universal significance and capable of affecting the overall interest should be studied. New issues and problems confronting the PLA troops in their reform-related political work should be attended to and resolved. In the meantime, new experiences should be distilled into theories as theoretical and policymaking materials for use as reference in army building and political work.

Jiang Siyi, vice president of the Military Science Institute, delivered a speech entitled "Reform Calls for Strengthening Theoretical Research into Political Work," on a number of theoretical issues relating to the Army's political work in the new period. Also sharing their research achievements with others at the forum were WU Xia and Wang Yan, respectively president and political commissar of the Air Force Political Institute.

Official Stresses New Construction Ban
*OW270315 Beijing XINHUA Domestic Service
in Chinese 1114 GMT 26 Aug 8*

[By Reporter Ge Daxing]

[Text] Beijing, 26 Aug (XINHUA) — Since the beginning of this year, some localities have been launching new large or medium-sized capital construction projects beyond those approved by the State Council. This was pointed out by Gan Zhijian, vice minister of the State Planning Commission, in an interview today with this reporter. He added that this practice should not be tolerated and must be resolutely stopped.

On the basis of the guidelines of the instruction made by a State Council leading comrade on this phenomenon, Gan Zhijian stressed that the localities and departments concerned should carry out an investigation of all construction projects newly started this year to ascertain which were started without obtaining the State Council's approval in accordance with the regulations, and then implement the State Council's regulations. Banks must stop loans, finance departments stop appropriating funds, and construction units stop construction work on these projects.

Gan Zhijian said: Given the current strength of China in terms of funds, materials, and transport, it would take 2 to 3 years just to complete the capital construction projects carried over from last year, for continued construction this year. Moreover, there have already been many projects newly started this year. It was precisely on the basis of these calculations that the State Council decided to incorporate in the investment plan all society's fixed assets investments including those by collectives and individuals in urban and rural areas, and by the Chinese side of any Sino-foreign joint ventures. It has also repeatedly made it known to the whole country that, without prior approval of the State Council, no large and medium-sized projects may be arbitrarily started this year.

Gan Zhijian explained: The same amount of investment in a large or medium-sized project could be used to invest in many small-sized projects. This type of project will require a relatively longer construction period. Although initial investment is relatively small, once construction has started, these projects pose a bigger problem in investment arrangements in future years. To start new large and medium-sized projects, in addition to those approved by the state, would make it even more difficult to curb the already overextended comprehensive scale of capital construction in China. It would make this bad practice even harder to dispense with, and endanger the overall stability of the national economy.

Gan Zhijian emphatically pointed out: Fulfillment of the capital construction tasks designated in the Seventh 5-Year Plan, together with price increases, foreign exchange rate adjustment, and other factors, will require more than 400 billion yuan of construction investment

in the next 3 years. Because of this, the state is stepping up its study of a plan to thoroughly deepen reform of the investment management structure, with a view to channelling the increasing social investment into the construction of key national projects as far as possible. All localities should be fully prepared for this. They should persist in implementing the central authorities' policy of the "three guarantees and three restrictions" [guarantee the construction of projects included in the plan, of productive projects, and of key projects, restrict those projects outside the plan, nonproductive, or nonessential — FBIS] and relevant regulations to impose strict restrictions on starting construction. Now new construction, except that already approved by the State Council, will be permitted before the end of the year. It is particularly impermissible to use pretexts of various kinds to build such ultramodern buildings as various "centers," offices, and service buildings. The state will investigate and hold the sponsor units responsible for any new projects started in violation of State Council Regulations.

State Management System Outlined

*HK261510 Beijing GUANGMING RIBAO in Chinese
16 Aug 87 p 3*

[Article by Zhao Shenghui (6392 3932 2547): "The Chief Administrator Responsibility System and the Party's Leadership"]

[Text] Article 86 of the Constitution of the PRC stipulates: "The premier has overall responsibility for the State Council. The ministers have overall responsibility for the respective ministries or commissions under their charge. Article 105 stipulates: "Local people's governments at different levels practice the system of overall responsibility by governors, mayors, county heads, district heads, township heads, and town heads." These two stipulations legally define that the leadership system practiced by government organizations at all levels and their administrative bodies in our country is a chief administrator responsibility system. However, under the present circumstances, the question of the relationship between the leadership system of various social organizations in our country, party leadership, and democratic management needs further explorations.

Practicing the Chief Administrator Responsibility System Is a Universal Principle Governing Administrative Leadership [subhead]

The Constitution stipulates that organizations of state power at various levels and their administrative bodies practice the system of overall responsibility by chief administrators and the factory director responsibility system practiced in industrial enterprises as defined by the "Decision of the CPC on Reform of the Economic Structure" is also a form of the chief administrator responsibility system. Practicing the chief administrator responsibility system is a universal principle governing administrative leadership.

There are many and varied social organizations in the society of our country. As far as their nature is concerned, they can be divided into two major categories: One is political organizations, such as political parties and mass political groups. Their leadership system is a collective one, that is, a committee system. As political organization is formed by some people in society who share a common faith and a common political goal and has a unanimously agreed program and organizational regulations, its members have the right to manage the organization's internal affairs. This nature determines that its leadership system is bound to be a democratic one, that is, a collective leadership system. The other is the government and other social, economic, and cultural grass-roots organizations, like administrative, economic, and cultural organizations including enterprises, public organizations, and institutions. They have their own administrative systems, special social missions and either exercise the functions of democratic dictatorship (governments at different levels), assume the duties of creating material wealth and spiritual products for society (enterprises and public organizations) or just perform the functions of execution (institutions including the government's ministries and commissions). In these organizations, the administrative leaders (governors, factory directors, ministers, directors, and section heads) appointed by people's congresses or higher leading bodies exercise the functions of administrative leadership and have decisionmaking powers, directorial powers in administration, and the power to appoint and remove cadres within the limits of their authority. These powers of administrative leaders are necessary for fulfilling the special tasks undertaken by their organizations and no other organizations or personnel will replace the former in doing so. If the party committee of a certain organization exercises leadership, there will be a system of multi-headed leadership in the organization. Since the system cuts off the administrative systems of such a social organization, the "chief administrator" cannot fully exercise his functions as "a chief." This will certainly lead to the situation in which no individual takes any legal responsibility into account and there is confusion in rules and regulations and order. This is the case of the system under which the factory director assumes full responsibility under the party committee, a system the enterprises practiced in the past. Therefore, it is entirely necessary to transform this structure so that the leadership system of social organizations of this type can meet the needs of administrative, economic, and cultural development.

Execution of the Chief Administrator Responsibility System Does Not Mean Weakening the Party's Leadership [subhead]

After the central authorities decided to introduce the factory director responsibility system in enterprises, some comrades worried that this leadership structure would weaken party leadership and some even viewed its implementation as a move to abandon party leadership. In fact, these worries are not necessary.

Generally speaking, our party is a ruling party and there is no doubt that the party exercises leadership over the whole nation, the whole socialist construction, and all social organizations. However, in the final analysis, the party is a political organization rather than an organization of state power or an economic or cultural organization. It offers general but not specified and direct guidance to other organizations. What does general guidance mean? "General guidance" is a term used by Lenin. He said: "Leave the party the general guidance of the activities of all state bodies, without the present, too frequent, irregular, and often petty interference." ("Collected Works of Lenin," Vol 33, p 221) General guidance means ideological and political leadership and leadership in regard to the line, principles, and policies. In other words, through the line, principles, and policies it formulated, the party exercises unified leadership over political power and socialist undertakings.

How should the party exercise such unified leadership? 1) It should train, select, use, and supervise cadres so that they can implement the party's line, principles, and policies in the social organizations where they work; 2) through state power systems, it should turn the party's line, principles, and policies into laws, decrees, regulations, rules and regulations, and plans, and put them into effect; 3) through its own organizational systems, in particular, its primary organizations, it should supervise responsible administrators and party members and help administrative leaders improve their work and conduct ideological and political work so that the masses will accept the party's line, principles, and policies and turn them into their own actions; and 4) through the exemplary vanguard role of party members, it should lead the masses in their efforts to implement the party's line, principles, and policies.

If party leadership is not interpreted this way and if party leadership is viewed as the party directly issuing orders and giving guidance in everything and the relationship between the party committees in social organizations and administrative organizations are regarded as one between the rulers and the ruled, the party organization will find it difficult to realize unified leadership in its original meaning.

It can thus be seen that introducing the chief administrator responsibility system is precisely a major policy decision taken by the party to realize its unified leadership. In implementing this policy decision, party organizations at all various levels and party organizations in grass-roots units in society should focus their attention on ensuring the political orientation of the various undertakings, strengthening their own development, doing ideological and political work, and on guaranteeing supervision over the administrative leadership in the economic and cultural fields. In that way party building can be greatly strengthened and the longstanding phenomenon in which "the party organization does not take care of its own affairs" can possibly be eliminated. Apparently, the execution of this leadership system will not weaken, much less abolish, party leadership.

Execution of the Chief Administrator Responsibility System and Democratic Management [subhead]

Still some comrades feared that the introduction of the chief administrator responsibility system would lead to a situation in which the chief administrator would act arbitrarily and refuse to accept supervision by the party and the masses. Such a phenomenon may possibly crop up as did the problems in implementing the system of decision by the party committee. The point at issue is that there must be an institutional guarantee.

The chief administrator responsibility system is definitely not antagonistic to democratic management and supervision by the party and the masses. It can be said that the system itself determines that it embraces democratic management and acceptance of supervision by the party and the masses.

The so-called chief administrator responsibility system refers in reality to the chief administrator's power of making final decisions and directorial power in routine duties within the limits of his authority. However, in the social organizations and leading bodies which are practicing the chief administrator responsibility system, there are not any organs for collective discussion of official business, such as councils for government and departmental affairs, councils of committee members, and management committees. In these councils the power of chief administrators to make final decisions and the democratic discussion by leader collectives form an integral whole. They are helpful to chief administrators in making correct policy decisions.

In our socialist country, the chief administrator responsibility system is also closely related to socialist democracy. Organizations of state power practice the system of full responsibility by the premier, governors, mayors, county heads, and township and town heads. These administrative leaders are answerable to the people's congresses at different levels, submit work reports to the latter, carry out their decisions, and accept their supervision and those who are incompetent are subject to recall by the congresses. An enterprise should establish the system of the staff members and workers congress which has the powers to examine and approve the director's policy decisions and to examine and supervise the use of power by leading cadres. This shows that the chief administrator responsibility system does not exist independently in the absence of socialist democracy.

The party is the leading force of our country. Every organization and individual should carry out their activities under the supervision of the party. Administrative leaders at all levels of departments and units are all the more no exception. By the so-called chief administrator responsibility system, we mean that the entrusted administrative leader assumes overall responsibility for the whole administration of a social organization but on no account does this mean that the leader is free from supervision by the party organization at the same level. In any organization, the party committee at the same

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level is entitled to supervise the organization's administrative leaders. This supervision may take the forms of the party congress or the general meeting of party members, the party branch meeting and party group meeting, and the inner-party life meeting of party committees. At these meetings, participants hear the work reports submitted by administrative leaders and approve them through examination and at some of the meetings, criticisms and self-criticisms are conducted. Essentially speaking, this supervision serves as a powerful backing for the administrative leaders. The chief administrator

responsibility system cannot possibly exist when separated from supervision by the party. If there is any problem in this regard, it must be the lack of courage for some party committees to do due supervision on the administrative leaders.

If we have an adequate understanding of the above problems, we can better implement the chief administrative responsibility system and better uphold and improve party leadership.

East Region**Jiangsu Congress Committee Meeting**
*OW261007 Nanjing Jiangsu Provincial Service
in Mandarin 0915 GMT 25 Aug 87*

[Text] The 27th meeting of the 6th provincial People's Congress Standing Committee opened in Nanjing this morning. Chairman Chu Jiang presided over the meeting.

Vice Governor Chen Huanyou reported on behalf of the provincial government concerning the provincewide campaign to increase production and practice economy and to increase revenue and reduce expenditure. After reviewing the initial successes scored by Jiangsu since it launched the campaign earlier this year, Chen Huanyou said that major problems encountered in the campaign are poor economic efficiency; shortages of energy, raw and semi-finished materials, agricultural production means, funds, and foreign exchange; fluctuating market prices, and a procrastinating government work style. He continued that in deepening the campaign, efforts should be focused on work in the following fields: combining the campaign with the reform in enterprises by actively popularizing the contracted managerial responsibility system in enterprises; improving the supply of raw and semi-finished materials through various channels; concentrating resources to ensure key construction projects; increasing the output of readily marketable products to ensure their market supply; actively expanding foreign trade; and striving to increase financial revenue and reduce expenditure.

The meeting also heard an explanation by Vice Chairman He Binghao on distribution of the number of deputies to the seventh provincial People's Congress and on two draft decisions on the number of deputies to the next city people's congresses in 11 cities in Jiangsu; an explanation by Xu Zhi, chairman of the Nanjing City People's Congress Standing Committee, on the revised regulations governing vegetable marketing in Nanjing; and an explanation by (Yuan Kechang), vice chairman of the provincial Education Commission, on the Jiangsu draft regulations governing secondary vocational and technical education.

Governor Gu Xiulan also explained about personnel appointments and removals. According to the agenda of the meeting, there will also be a report on elections at the county and township levels, a report on law and discipline inspection, and a report on the implementation of the Jiangsu provisional regulations governing preservation of scenic spots. The meeting will also examine personnel appointments and removals.

Wang Bingshi, Hong Peilin, and Li Zhizhong, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting. Officials from the provincial Higher People's Court, the provincial People's Procuratorate, relevant departments under the provincial government, and people's congress standing committees from the 11 cities observed the meeting.

Shandong Secretary Inspects County
*SK270822 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 26 Aug 87*

[Text] On the afternoon of 24 August, Liang Buting, secretary of the provincial party committee, inspected the coastal beaches development projects, and highly acclaimed the achievements of the people in Yexian County in developing the golden coastal line and bringing benefits to future generations. He highly appraised their achievements.

Last October Yexian County started the project of drawing treasures from 100,000 mu of barren hills by investing 13 million yuan and allocating 70,000 civilian workers. People of the whole county worked hard for more than 6 months and built a 10,000-mu shrimp breeding farm. Now this county will soon build another 20,000-mu shrimp breeding farm. The completed 10,000-mu shrimp breeding farm is expected to reap a bumper harvest.

Shandong People's Congress Meeting
*SK270451 Jinan Shandong Provincial Service
in Mandarin 2200 GMT 26 Aug 87*

[Excerpts] The 27th meeting of the 6th provincial People's Congress Standing Committee opened in Jinan on the morning of 26 August. Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the meeting. [passage omitted]

Xiao Han, Xue Lejian, Zhang Zhusheng, Xu Jianchun, Lin Ping, Lu Hong, Xu Sen, and Yan Qingqing, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting.

Vice Governor Ma Shizhong; Han Bangju, president of the provincial Higher People's Court; and responsible comrades of the provincial People's Procuratorate, the relevant provincial-level departments, the Standing Committees of the cities under the jurisdiction of the provincial government and of some county and cities, and the people's congress work liaison sections of various districts attended the meeting as observers.

Zhejiang Secretary on Revenue Increase
*OW262313 Hangzhou ZHEJIANG RIBAO in Chinese
17 Aug 87 p 1*

[Excerpts] Speaking at a recent provincial financial work meeting, Xue Ju, secretary of the provincial party committee and governor of the province, said that the fine tradition of waging arduous struggle and building up the country through diligence and thrift should be carried forward, and every effort made to increase production and practice economy through careful planning and calculation. He also called for down-to-earth efforts to implement the responsibility system in enterprises, based on operational contracts, to ensure a steady rise in the province's revenue.

Comrade Xue Ju said: The economic situation for revenues and expenditures in our province were good during the first half of this year. This was attributable to the

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joint efforts of all the people in the province, particularly comrades working in financial and taxation departments. However, we should plan to strengthen our efforts in dealing with the financial question. Ideologically, we should not relax, but be more active. This year, the regulatory tax on big and medium enterprises continues to be reduced. The burden of value-added tax on enterprises has also been less than before. While enterprises can thus retain more profits, our financial revenue has been reduced. Typhoon No 7 swept across our province, inflicting heavy losses on many cities and counties. This means that we have to do relief and rehabilitation work, despite reduced revenue. Moreover, the rise in the price of farm and sideline products has added to our financial burden, due to the need to distribute subsidies. All these will bring about a more strained financial situation in the second half of the year than in the first 6 months. We should strive to do well under such straightened circumstances. Specifically, we should preserve, and carry forward, the fine tradition of waging arduous struggle and building up the country through diligence and thrift, use every conceivable method to boost production, and carefully plan and calculate how to cut expenditures in an effort to fulfill this year's financial task. [passage omitted]

He said: Implementing the responsibility system based on operational contracts is a good way to vitalize big and medium enterprises. When these enterprises have greater vitality and the economy has developed, our financial revenue will increase. [passage omitted]

Comrade Xue Ju added: It is a matter of great importance to strengthen ideological work and improve the work force in the financial and taxation departments. Workers on the financial and taxation work front have always been noted for their fine tradition; that is, they have a stronger concept about the state, the legal system, and discipline, and cherish the desire to "develop the economy and ensure supplies." This tradition should continue to be carried forward. [passage omitted] Meanwhile, the party and government leadership, and the departments concerned at all levels, are requested to support the work of financial and taxation departments. They should be firm in supporting the upright and striking at the vicious, and act promptly and severely in dealing with such offenses as evading taxes, refusing to pay taxes, and even beating up tax cadres.

Vice Provincial Governor Shen Zulun also attended and addressed the meeting.

Central-South Region

Guangdong Issues Products Regulations

OW261247 Beijing XINHUA in English 0559 GMT
26 Aug 87

[Text] Guangzhou (CEI) — Enterprises that manufacture products which are usually imported can sell portions of their goods in domestic market for hard currency, according to provisional regulations recently published by Guangdong provincial authorities.

These enterprises can pay back the foreign exchange they used for importing raw material and equipment depreciation fees.

Those enterprises with foreign capital can also use their foreign exchange income to pay back the foreign partners investment and profits or use it to expand production.

Guangdong has imported advanced technology and equipment since it adopted the policy of opening to the outside world, and the quality and technical properties of some local products are up to those of similar products made abroad.

Southwest Region

Wu Jinghua at Xizang Work Meeting

HK270257 Lhasa Xizang Regional Service
in Mandarin 1030 GMT 25 Aug 87

[Excerpt] A regional conference on united front, nationality, and religious work opened in Lhasa on 25 August. The meeting called on the whole party to get to work and the leadership to take the lead in doing a good job of this work in the region during the new period. It is necessary to continue to hold aloft the banner of patriotism, unity, and progress, and further consolidate and develop the new situation in united front, nationality, and religious work in the region.

Regional party, government, and Army leaders including Wu Jinghua, Raidi, Basang, Mao Rubai, Dangzin, Gyanincain Norbu, Zhang Xiangming, Lang Jie, (Wang Guangxi), Puquin, Gyibug Puncog Cedain, Zhang Shaosong, Zheng Ying, and others attended the opening of the meeting. Also present were Wu Lianyuan, deputy director of the CPC Central Committee United Front Department; Duo Jia, vice chairman of the State Nationalities Affairs Commission; and (Li Zuomin), of the CPC Central Committee United Front Department. Wu Jinghua, secretary of the regional party committee, presided. [passage omitted]

Wu Jinghua said at the meeting: Of all the important things in Xizang, we must clearly understand the importance of doing a good job in nationality work. The united front, nationality, and religious issue is a special issue in Xizang. To resolve this issue, we must step up political theory studies and vigorously promote studies and research in nationality, united front, and religious theory and policy throughout the region, especially among the leading cadres. We must enhance understanding of the special characteristics of Xizang and of the important status and role of united front, nationality, and religious work in the region, and do this work still better.

North Region

Beijing Sentences Tiananmen 'Culprit'

OW260830 Beijing XINHUA Domestic Service
in Chinese 0727 GMT 26 Aug 87

[By reporter Zhou Kejin]

[Text] Beijing, 26 Aug (XINHUA) — Deng Qilin, the culprit who caused an explosion incident in Tiananmen

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Square, was sentenced to death and deprived of his political rights for life by the Beijing Municipal Intermediate People's Court today.

Culprit Deng Qilin, a 24-year-old peasant from Tongcheng County in Hubei, was a contract worker at a fireworks factory in Shadui District, Tongcheng County. On 17 July this year, culprit Deng brought a package of dynamite he had made to Beijing, placed it in a group of sculptures in the south side of Tiananmen Square, and ignited the dynamite sticks, thus exploding the sculptures and causing damage to the nearby buildings. Culprit Deng was arrested while trying to flee after committing the crime.

After reviewing the case, the Beijing Municipal Intermediate People's Court held that Deng Qilin plotted the explosion incident in Tiananmen Square, blew up a group of sculptures, caused damage to the nearby buildings, and seriously jeopardized public security, thus committing a crime of explosion. Because the crime is of an extremely vicious nature and has caused grave harm to society, this criminal case is especially serious and must be dealt with sternly. According to provisions of China's criminal law, Deng Qilin is sentenced to death and deprived of his political rights for life.

Hebei Secretary At Study Meeting

SK270401 Shijiazhuang HEBEI RIBAO in Chinese
8 Aug 87 p 1

[Excerpt] Deeply studying and comprehending Comrade Deng Xiaoping's ideology of reforms has reinforced the sense of reforms and upgraded the consciousness of deepening the reform drive. This is the important task of all participating comrades at the provincial study meeting of party secretaries of prefectures, cities, and counties (cities, districts). After a 17-day session, the provincial study meeting successfully concluded on 6 August.

At the study meeting, the participating comrades concentrated on studying the central documents concerned; the recent important speeches made by Comrades Deng Xiaoping and Zhao Ziyang; and the main article of Comrade Deng Xiaoping's exposition entitled "Uphold the Four Cardinal Principles, Oppose Bourgeois Liberalization," and the book (additional edition) entitled "Build Socialism with Chinese Characteristics." By

bearing in mind the practice of reforms and their personal understanding, the participating comrades earnestly read the original works, studied the documents, and made notes. Through meditating, straightening out, and summing up questions, they have succeeded in enlightening and learning from each other at the group discussion. Joining in the participants at the study meeting were leading comrades from the provincial party committee, including Xing Chongzhi, Li Wenshan, and Liu Ronghui. In concluding the meeting, Comrade Xing Chongzhi delivered a report: "Do a Good Job in Studying and Applying Comrade Deng Xiaoping's Ideology of Reforms To Accelerate the Pace of Conducting Reforms in the Province." [passage omitted]

Northwest Region

Gansu Leader Stresses Building Hexi Grain Base

HK270517 Lanzhou Gansu Provincial Service
in Mandarin 2200 GMT 25 Aug 87

[Excerpt] Li Ziqi, secretary of the provincial party committee, carried out an investigation and study in the rural areas of Wuwei City on 25 August. He visited the peasant entrepreneur (Liu Quanguo) and the major grain-growing households of (Zhao Run) and (Li Jingying), and encouraged them to make new contributions to further developing and building the Hexi marketable grain base.

Since 1983, under the concern and support of the CPC Central Committee and State Council, the building of the Hexi marketable grain base in Gansu has taken initial shape. Grain production has risen at an average annual rate of 247 million kg, and the base has provided over 700 million kg of marketable grain each year, representing 70 percent of the marketable grain in the province. A number of major grain-growing households and peasant entrepreneurs who have made great contributions and produced fine economic results have also appeared.

Visiting (Zhao Run) and (Li Jingying), Li Ziqi said: You have developed family farms and provided the state with nearly 1 million jin of marketable grain, thus contributing to the building of the Hexi marketable grain base. I hope you will make still greater efforts, go in for comprehensive development, improve economic results, and reach a still higher level. [passage omitted]

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Chiang, New EPA Office Head Meet
OW250920 Taipei CHINA POST in English
 22 Aug 87 p 12

[Text] President Chiang Ching-kuo yesterday summoned Chien Yo-hsin, director-general designate of the new Environmental Protection Administration (EPA), on the eve of the establishment of his administration.

The president said the government is determined to improve the quality of life of the people. He directed Chien to attach equal importance to economic development and environmental protection in running his ministerial-level administration.

Chiang also directed Chien to quickly cultivate outstanding environmental protection workers and administrative personnel.

The president said the EPA should study the techniques and learn from the experiences in environmental protection of the United States, European countries and other developed nations.

Premier Yu Kuo-hua will swear Chien in at the Bureau of Commodity Inspection and Quarantine office in Taipei at 9 a.m. today.

Chien, 41, a native of Taoyuan, earned his bachelor's degree in mechanical engineering from National Taiwan University, and his master's and doctorate degrees in aeronautics and aerospace engineering from New York University.

He had served as chairman of the Department of Aeronautics Engineering of Tamkang University and the university's dean of the College of Engineering. Chien was voted one of the nation's 10 outstanding youths in 1978.

Previously, environmental affairs were handled by a bureau under the National Health Administration.

PRC Stance on Force Option Cited
OW250924 Taipei CHINA POST in English
 22 Aug 87 p 4

[Text] Peking's phony peace moves have been punctured by its refusal to use peaceful means only to settle the "Taiwan issue."

This was revealed by a statement by its Washington spokesman contesting a UPI report that Han Hsu said that Communist China would only use peaceful means to reunify China and Taiwan.

Han reportedly made that statement in San Francisco on Aug. 11. But Han's remarks were contradicted by Red China's spokesman in Washington, who stated that, "We cannot commit to any foreign country to resolve the Taiwan issue by peaceful means only."

The spokesman's statement violates the whole basis of Peking-U.S. relations and the Aug. 17, 1982 joint communique. It invalidates that agreement, which guides the

United States in its relations with Peking. It also proves Peking's real intentions toward Taiwan — reunification by the threat of force and by force itself.

Mainland Visits Policy Considered

Policy Under Review
OW270345 Taipei LIEN HO PAO in Chinese
 23 Aug 87, p 1

[Text] It has been learned that the government departments concerned are carefully considering permitting local people to visit their families and relatives on the mainland. Except for active servicemen and public functionaries, the general public may visit their families and relatives on the mainland, via a third region or country.

This policy has been under discussion for months at relevant government agencies. The purport of this policy is: While maintaining the principle of making no contacts with the Chinese Communists in mail, air and shipping services, and trade, the public will be allowed to visit their families and relatives on the mainland. Therefore, local people must go to the mainland by way of a third region or country.

The agencies concerned originally considered helping families and relatives on the two sides of the Taiwan Strait get in touch through the International Red Cross Society or other international organizations. However, two different views emerged in the course of discussion. One was: The Government should refrain from playing a role in this matter to avoid conjecture or confusion. Local people should establish contacts with their families and relatives on the mainland through relatives and friends abroad. However, some policymakers felt that establishing contacts between families and relatives on the two sides of the Taiwan Strait, with the help of the International Red Cross Society, a civil organization, would not violate the "three nos" policy, and would be in line with humanitarian principles. Some policymakers proposed that the Vocational Assistance Commission for Retired Servicemen provide assistance to financially-straitened veterans, retired servicemen wishing to visit their families and relatives in hometowns to help make their dreams come true. These two points of view are still under consideration, and neither has yet been adopted.

The agencies concerned have also carefully studied and discussed the issue of allowing mainlanders to visit their families and relatives on Taiwan after lifting restrictions on visits to the mainland by local people. Current indications are that such proposals would not be accepted. However, in a recent meeting with Lai I-hsiung, president of the Association of Taiwanese Professors in North America, Li Huan, secretary general of the ruling party Central Committee, expressed his personal views on the matter. Secretary General Li thought that we have no reason to refuse to let mainlanders come to Taiwan for visits with their families and relatives. As for security concerns, he believed that the intelligence and security agencies would be able to take preventive measures.

It is learned that, as early as the beginning of this year, Chairman Chiang of the ruling party instructed his party and relevant government agencies to study the feasibility of allowing the local people to visit their families and relatives on the mainland. After months of discussion, the agencies concerned have reached an initial, common understanding on this issue.

Sources said the Government would by no means change its established policy of not contacting, compromising, or negotiating with the Chinese Communists; nor would it accede to the Chinese Communists' united front strategy of promoting exchanges of mail, air and shipping services, and trade between the two sides. However, the Government would readjust its approaches on non-governmental and cultural exchanges, in light of changes in the objective environment. It would be particularly lenient in considering the issue of allowing visits to families and relatives on the mainland, because it is a humanitarian issue.

The Government is expected to announce its decision in September. The form of the announcement has yet to be worked out. One way is to specifically announce the ban on visits to the mainland by active servicemen and public functionaries, without proclaiming the decision to allow local people to visit their families and relatives on the mainland. The other is to explicitly announce the decision to allow the general public to visit their families and relatives on the mainland, with the exception of active servicemen and public functionaries.

Commentary on Visits

*OW270629 Taipei International Service in English
0200 GMT 28 Aug 87*

[Station Commentary: "Thinking About Family Reunions."]

[Text] Citing humanitarian reasons, the Government of the Republic of China is currently studying a set of proposals that would permit ordinary citizens on Taiwan to visit relatives on the communist occupied mainland of China. The *United Daily News* reports that President Chiang Ching-kuo has given his blessing to the plans, which would make it legal for citizens to travel to the mainland via third countries.

Many of the soldiers and government officials who came to Taiwan in the late forties have not seen relatives on the Taiwan in the late forties have not seen relatives on the mainland since then. Many of the native Taiwanese also have distant relatives on the mainland, and would like to visit their ancestral homes as well.

In the past 5 or 6 years, some Chinese on Taiwan have made visits to the mainland, and in most cases the Government paid little attention to them as long as it was plain politics were not involved. No one knows for sure just how many citizens have made the trip over and back while such visits remain technically illegal.

Government officials have been quick to dispel rumors, however, that a possible loosening of the mainland travel ban will lead to more official contacts between the two

sides of the Taiwan Straits. Officials note that the proposals under study say nothing about relaxing the Government's three nos policy of making no contact, no negotiations and no compromises with the communist regime in Peking. Visits to the mainland by private citizens are not to be viewed as official contact, in any form or fashion.

The proposals do not contain provisions for mainlanders visits to Taiwan. As in the past, the Government is concerned about security problems inherent in opening the doors to a potentially uncontrollable influx of mainlanders. The principal concern is that too many would want to stay after tasting the freedom and prosperity enjoyed on Taiwan. Then there is always the threat of communist subversion, which no government in its right mind would take lightly.

The current policy is to permit entry to mainlanders who have lived in other countries for at least 5 years, and who have gained permanent residency in their new home country.

Under the new proposals, visits and other forms of unofficial, people-to-people contacts would be carried out through third countries, and with the help of such international organizations as the Red Cross. For several years the Red Cross has operated an office in Hong Kong that directs mail back and forth between Taiwan and the mainland. It used to help Taiwan Chinese locate relatives on the mainland, but that aid has been suspended recently. The Red Cross expects, however, to play a role in precipitating visits to the mainland by Taiwan Chinese.

For now, the proposals are only in the preparatory, and thus speculative stage. If they materialize in the form envisioned by the normally accurate *United Daily News*, the new regulations will be another concrete sign of the Government's liberalization process and a sure sign that confidence is running high on Taiwan. As one official put it: What could be wrong with letting Free Chinese see their relatives, while also getting a first-hand glimpse of life under Communism? It could be the greatest boon to our confidence. Humanitarianism aside, he could be right.

AFP on Policy Change

*HK261051 Hong Kong AFP in English 0847 GMT
26 Aug 87*

[By Hsin-hsin Yang]

[Text] Taipei, Aug 26 (AFP) - The Taiwan Government is easing its hardline approach towards Mainland China and toward domestic opposition in an effort to defuse public disaffection over its handling of both issues, observers here said.

The ruling Kuomintang (KMT) Party is expected to underline its softer approach toward China next month by lifting a 38-year-old ban on visits by Taiwan citizens to the mainland through third countries.

Meanwhile, top government and KMT officials recently met with several Taiwanese who had been barred from returning home from exile abroad for advocating an independent Taiwan.

Chen Tan-shan, who is considered by the authorities here as a leading advocate of an independent Taiwan, arrived back in Taipei Tuesday after 13 years of exile.

The KMT maintains its claim to be the sole legitimate ruler of all China and bans the independence movement which calls for a Taiwan state separate from the mainland.

"The government here is more liberal now and is more confident of itself," said professor Lu Ya-li of the National Taiwan University.

"The KMT authorities have realized that pressure and restrictions will only make things worse and bring about adverse reactions. The more open it (KMT) becomes, the more power it gains," he added.

Mr. Lu was referring to the fact that several thousand Taiwan residents visit relatives on the mainland each year through such countries as Japan, the United States and Hong Kong despite the official ban on such trips.

The visitors are mostly retired servicemen who fled to Taiwan in 1949 when the KMT troops were defeated by the communists on the mainland.

Mr. Lu said the government aimed to defuse criticism fired at Taiwan from overseas by meeting with exiled Taiwanese and allowing them to return home.

The decision to formally lift the ban on visits to China was reached after several months of discussion among top party officials under a directive from President Chiang Ching-kuo, informed sources have said.

The move is considered another step in opening up civilian contact across the Taiwan Strait separating the nationalist-ruled island from the communist mainland.

The Taiwan Government has already permitted personal contacts involving international meetings, sports competitions and other activities held in third countries.

But the mass-circulation *China Times* reported Wednesday that the government is also considering sending sports teams to China while inviting Chinese athletes to compete in Taiwan.

A word of warning, however, was sounded earlier this week by Vice Foreign Minister Chang Hsiao-yeoh.

He told reporters that Taiwan had to be "cautious" over civilian contacts with China "to avoid creating a wrong perception to the world that we have changed our basic policy against the Chinese Communists."

Mr. Chang said Taiwan's policy of "no contact, no talks, no compromise" toward Beijing would never change, and it was "naive" to believe that Taiwan could win international recognition as an independent state as some politicians and academics have maintained.

On the home front, the most spectacular demonstration of a more liberal KMT line came recently when the government ended 38 years of martial law.

The KMT has also been tolerant of the fledgling Democratic Progressive Party (DPP) which calls for self-determination for all residents in Taiwan, an ideology tantamount to independence.

The DPP was formed in September in defiance of an official ban on the creation of new political groups and several members won seats in parliament in elections last December.

Hong Kong

Basic Law Drafting Committee Meets

OW261123 Beijing XINHUA Domestic Service
in Chinese 0814 GMT 26 Aug 87

[Text] Beijing, 26 Aug (XINHUA) — Ji Pengfei said today that the chairmanship meeting of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China has decided to establish an overall work group which will be responsible for making an overall readjustment and revision of various chapters of the draft Basic Law. The revised draft of the chapters will be submitted for examination to the Seventh Plenary Session of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region to be held in the first quarter of next year. Y. K. Pao kong and Hu Sheng, vice chairmen of the drafting committee, will be in charge of the work of the overall work group.

The Fifth Plenary Session of the Drafting Committee for the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China concluded in Beijing this morning.

In his closing speech Ji Pengfei also said: At this plenary session we heard work reports by the five work groups under the drafting committee and discussed the preamble of the Basic Law and draft articles of chapters one, two, three, four, five, six, seven, and nine of the law. After discussing the reports and the draft articles in detail, members of the drafting committee put forward many suggestions and proposals for revision. I hope that the five special work groups will study them carefully and adopt as many of them as possible in order to do a good job in revising the draft articles in the various chapters and sections of the basic law.

Ji Pengfei said: Since the formation of the Hong Kong Basic Law Consultant Committee, it has actively coordinated the work of the Basic Law Drafting Committee and received many opinions and proposals regarding the Basic Law from people of all circles in Hong Kong, which are very useful in the drafting of the Basic Law. At the chairmanship meeting held yesterday, the participants expressed the hope that the various work groups will carefully study the latest reports of the various special responsibility groups sent by the Hong Kong Basic Law Consultant Committee and will ask the consultant committee for its suggestions in solving some problems found in the course of drafting the Basic Law.

Ji Pengfei continued: Nineteen eighty-seven is a crucial year for the work of drafting the Basic Law. There is much work to be done. Yesterday's chairmanship meeting discussed the tasks for the second half of this year. It held that all involved should speed up the work in order to work out the draft of the basic law for discussion after the seventh plenary session next year as originally scheduled.

Ji Pengfei said in conclusion: During the past 2 years, since the Basic Law Drafting Committee was formed, it

has initially drafted the articles under the various chapters and sections. He praised the efforts and contributions made by the members.

"Text" of Communiqué

HK261143 Hong Kong ZHONGGUO XINWEN SHE
in Chinese 0246 GMT 26 Aug 87

[“Full text” of the communiqué approved by the Fifth Plenary Meeting of the Hong Kong Special Administrative Region Basic Law Drafting Committee on 26 August]

[Text] Beijing, 26 Aug (ZHONGGUO XINWEN SHE) — Communiqué of The Fifth Plenary Meeting of the People's Republic of China Hong Kong Special Administrative Region [SAR] Basic Law Drafting Committee (26 August, 1987)

The People's Republic of China Hong Kong SAR Basic Law Drafting Committee held its fifth plenary meeting in Beijing between 22 and 26 August. Fifty-three of its members were present, and five were absent because of illness or personal matters.

The meeting heard the work reports prepared by the five special groups, continued to discuss the drafts of the Preamble to the basic law; its Chapter One — General Principles; Chapter Two — Relations Between the Central Government and the Hong Kong SAR; Chapter Three — Basic Rights and Duties of the Citizens of the Hong Kong SAR; Chapter Seven — External Affairs of the Hong Kong SAR; and Chapter Nine — Interpretation and Revision of the Basic Law of the Hong Kong SAR. Also discussed for the first time were drafts of the Basic Law's Chapter Four — Political System of the Hong Kong SAR; Chapter Five — Economy of the Hong Kong SAR; and Chapter Six — Education, Science, Technology, Culture, Sports, and Religion in the Hong Kong SAR. The members are satisfied with the work of the special groups and have proposed amendments to some of the articles. The meeting called on the special groups to carefully study the suggestions raised by the members and those raised in the final reports prepared by the special groups of the Basic Law Consultative Committee and to make further amendments to the articles in the drafts of the relevant chapters of the basic law. The Secretariat will, on the basis of all this and according to the draft layout of the basic law, collect the drafts of the chapters of the basic law and submit them to the drafting committee's sixth plenary meeting for elaboration.

It was decided at the meeting that the sixth meeting of the basic law drafting committee will be held in Guangzhou between 12 and 16 December 1987. The agenda for this meeting will be 1) to further discuss the drafts of Chapters Four, Five, and Six of the Basic Law, which are to be prepared by the special group for the SAR's political system; and, 2) to discuss in general terms the collected drafts of the chapters of the basic law and to propose amendments and adjustments.

It was decided at a meeting of the chairmen of the committee that an overall working group will be formed with Y. K. Pao and Hu Sheng as it heads and with the

responsible persons of the special groups, the secretary general, and the deputy secretary general as its members. This group will be responsible for making general adjustments and amendments to the articles in the drafts of the chapters of the basic law and for submitting them to the seventh plenary meeting of the drafting committee, which will be held next year, for deliberation.

Choice of Governor To Top Basic Law Agenda
HK270425 Hong Kong SOUTH MORNING POST in English 27 Aug 87 p 2

[Excerpt] The most contentious part of the Basic Law, the selection of the future governor and legislators, will top the agenda of the October meeting of the Basic Law Drafting Committee political sub-group.

The meeting, scheduled for October 4 in Guangzhou, is expected to come up with recommendations on several key issues.

The work schedule for all five sub-groups over the next four months was decided yesterday at the end of a five-day Drafting Committee session.

The crucial October discussions will take place a few days after the end of the consultation period on the Green Paper on political reform.

The timetable for the groups' discussions has aroused much controversy over the past few months. One drafter, Mr Martin Lee, was formally censured for accusing the groups of ducking key issues.

Others say that groups have deliberately left the key issues until last so they can dispose of minor matters.

Co-convenor Mr Louis Cha said the October meeting would also discuss the issues of the presidency of the legislature, which was related to the unresolved issue regarding the selection of legislators.

Another sub-group will meet between October 31 and November 2 to discuss all the chapters on political issues. [passage omitted]

British Troop Withdrawal To Start in 1989
HK270723 Hong Kong HONGKONG STANDARD in English 27 Aug 87 p 1

[“Exclusive” report by David Wong, China Editor]

[Text] Britain intends to start withdrawing its troops from the 9,000-strong garrison here in 1989.

It will mark the beginning of a gradual pull-out and informed sources say the British Government told China of its intention at the Joint Liaison Group [JLG] meeting held here in March.

But it is understood China disagrees with the plan and an agreement on the timing of the withdrawal has not been thrashed out after several rounds of talks.

China feels the pull-out should begin at least several years later, probably in the early 1990s or mid-1990s.

This is because the presence of the garrison has been regarded by local people as a symbol of British confidence and an early withdrawal of the troops may send shock waves through the local investment community.

China fears this outcome, even though it accepts the British plan to boost the strength of the police force to fill the gap.

A rift has developed between the two governments over when and how fast the withdrawal should take place after a recent JLG meeting in London, sources said.

“But contrary to some reports, China has not insisted that Britain should keep the 9,000-strong garrison intact until the last days,” sources said.

“China maintains that it has not decided on the timing of the withdrawal of the British garrison. But it is true that its initial thinking does not toe the line with the British.”

“While China accepts that the British soldiers have to leave eventually, it feels that they should not start pulling out too early, otherwise it may create some confidence jitters.”

It is understood China has not suggested any counter proposals on the timing of the withdrawal since the JLG meeting in March because it has not yet consolidated its own thinking.

Both governments hope to find some middle ground at a special working group meeting in Beijing next month, sources said.

The working group, set up by the JLG in March, is responsible for hammering out details of the garrison withdrawal in the run-up to 1997.

The group comprises senior diplomats and military experts of the two governments and it reports to the JLG.

“Though everybody realises the withdrawal will come one day as 1997 approaches, they would not expect it to come so soon,” sources said.

“This explains why both governments have remained tightlipped over divulging the proposed departure plan of the British garrison.”

Despite the differences between the governments, sources said it would be unlikely that the People's Liberation Army would be stationed here before 1997 to fill the gap left by the British soldiers.

“China has already accepted the British plan of expanding the police force from 25,000 to 30,000 to take over part of the garrison work here in maintaining law and order and other civilian duties now performed by the army,” sources said.

Red Cross To Aid Family Reunions
HK270701 Hong Kong HONGKONG STANDARD in English 27 Aug 87 p 5

[by Esther Leung]

[Text] The Red Cross is to set up a regional headquarters in Hong Kong.

The move has been prompted by the increasing number of requests from people in China who want to contact their relatives in Taiwan.

At present, the Hong Kong Red Cross forwards all requests to the International Committee of the Red Cross in Geneva which then contacts the Taiwan office.

The number of requests has risen from 40 (between April 1984 and March 1985) to 310 (between April 86 to June this year).

A delegate from the Red Cross in Geneva, Mr Peter Kung, who is responsible for setting up the office, said he was now discussing the matter with the authorities in Beijing and Taiwan.

The regional office, which had been in the pipeline for the past few years, would be opened in early October. It would also be the strategic point for contacts with neighbouring countries such as the Republic of Korea, Japan, China and Taiwan.

It was only recently that a "tracing" service between China and Taiwan had been considered, Mr Kung said.

The delegation had sought the approval of the Foreign and Commonwealth Affairs Office in London, and from the Political Advisor and the Secretary of Security in Hong Kong.

Mr Donald Yung, head of International Welfare and Disaster Relief of the Hong Kong Red Cross, said he believed the number of requests would increase as more people got to know of the service.

At present, most of the requests from China were forwarded to the Hong Kong Red Cross. It then sent the request to the Geneva office which contacted the Taiwan Red Cross.

This procedure was adopted because the Hong Kong Red Cross, a subsidiary of the British Red Cross, could not handle cases involving two places which did not have diplomatic relations.

The new office set up by the Geneva headquarters would accept the requests and contact the Taiwan office directly.

Mr Yung said the tracing service of the Hong Kong Red Cross began in 1979 with the influx of Vietnamese refugees.

Now about 20 percent of the requests came from China.

He said people in China could also send their requests to their own Red Cross in Beijing.

Mr Kung, who worked in the Taiwan office, said Taiwanese had other means of contacting people on the mainland, via friends and relatives abroad.

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